

31A-27a-901 Ancillary conservation of foreign insurers.

- (1) The commissioner may initiate an action against a foreign insurer pursuant to Section 31A-27a-201 on any of the grounds stated in that section or on the basis that:
 - (a) any of the foreign insurer's property is sequestered, garnished, or seized by official action in its domiciliary state or in any other state;
 - (b)
 - (i) the foreign insurer's certificate of authority to do business in this state is revoked or a certificate of authority is never issued; and
 - (ii) there is a resident of this state with an unpaid claim or in-force policy; or
 - (c) it is necessary to enforce a stay under Chapter 28, Guaranty Associations.
- (2) If a domiciliary receiver is appointed, the commissioner may initiate an action against a foreign insurer under this section only with the consent of the domiciliary receiver.
- (3)
 - (a) An order entered pursuant to this section shall appoint the commissioner as conservator.
 - (b) The conservator's title to assets shall be limited to the insurer's property and records located in this state.
- (4)
 - (a) Notwithstanding Subsection 31A-27a-201(3), the conservator shall hold and conserve the assets located in this state until:
 - (i) the commissioner in the insurer's domiciliary state appoints its receiver; or
 - (ii) an order terminating conservation is entered under Subsection (7).
 - (b) Once a domiciliary receiver is appointed, the conservator shall turn over to the domiciliary receiver all property subject to an order under this section.
- (5) The conservator may liquidate the property of the insurer that may be necessary to cover the costs incurred in the initiation or administration of a proceeding under this section.
- (6)
 - (a) The court in which an action under this section is pending may issue a finding of insolvency or an ancillary liquidation order.
 - (b) An ancillary liquidation order shall be entered for the limited purposes of:
 - (i) liquidating assets in this state to pay costs under Subsection (5); or
 - (ii) activating applicable guaranty associations in this state to pay valid claims that are not being paid by the insurer.
- (7) The conservator may at any time petition the receivership court for an order terminating an order entered under this section.

Enacted by Chapter 309, 2007 General Session